

1 10 days before the effective date of the cancellation.

2 b. This Section does not apply if the company has
3 manifested its willingness to renew directly to the named
4 insured. Provided, however, that no company may increase the
5 renewal premium on any policy of insurance to which Section
6 143.11 applies, except for those defined in subsections (a),
7 (b), (c), and (h) of Section 143.13, by 30% or more, nor
8 impose changes in deductibles or coverage that materially
9 alter the policy, unless the company shall have mailed or
10 delivered to the named insured written notice of such
11 increase or change in deductible or coverage at least 60 days
12 prior to the renewal or anniversary date. The increase in
13 premium shall be the renewal premium based on the known
14 exposure as of the date of the quotation compared to the
15 premium as of the last day of coverage for the current year's
16 policy, annualized. The premium on the renewal policy may be
17 subsequently amended to reflect any change in exposure or
18 reinsurance costs not considered in the quotation. An exact
19 and unaltered copy of such notice shall also be sent to the
20 insured's broker, if known, or the agent of record. If the
21 company intends to increase the premium on a policy by 30% or
22 more and the renewal date is less than 60 but more than 30
23 days away, then the company must extend the current policy
24 under the same terms, conditions, and premium to allow 60
25 days notice of renewal and provide the actual renewal premium
26 quotation and any change in coverage or deductible on the
27 policy. Proof of mailing or proof of receipt may be proven by
28 a sworn affidavit by the insurer as to the usual and
29 customary business practices of mailing notice pursuant to
30 this Section or may be proven consistent with Illinois
31 Supreme Court Rule 236. ~~The company shall maintain--proof--of~~
32 ~~mailing--or--proof--of--receipt--whichever--is--required.~~

33 c. Should a company fail to comply with the notice
34 requirements of this Section, the policy shall terminate only

1 as provided in this subsection. In the event of a nonrenewal,
2 if a notice of nonrenewal is not provided at least 31--days,
3 but--less-than 60 days prior to expiration of the policy, the
4 policy shall be extended for an additional year a--period--of
5 60--days-or-until-the-effective-date-of-any-similar-insurance
6 procured-by-the-insured, whichever-is-less, on the same terms
7 and conditions as the policy sought to be terminated. In the
8 event notice is provided less than 31 days prior to the
9 expiration of the policy, the policy shall be extended for a
10 period of one year or until the effective date of any similar
11 insurance procured by the insured, whichever is less, on the
12 same terms and conditions as the policy sought to be
13 terminated unless the insurer has manifested its willingness
14 to renew at a premium which represents an increase not
15 exceeding 30%. The-premium-for-coverage-shall-be-prorated-in
16 accordance-with-the-amount-of-the-last--year's--premium,--and
17 the--company--shall--be--entitled--to--this--premium--for-the
18 extension-of-coverage-and-such-extension--may--be--contingent
19 upon-the-payment-of-such-premium.

20 d. Renewal of a policy does not constitute a waiver or
21 estoppel with respect to grounds for cancellation which
22 existed before the effective date of such renewal.

23 e. In all notices of intention not to renew any policy
24 of insurance, as defined in Section 143.11 the company shall
25 provide a specific explanation of the reasons for nonrenewal.
26 (Source: P.A. 89-669, eff. 1-1-97.)"; and

27 at the end of the bill, by inserting the following:

28 "Section 99. Effective date. The changes made to Sec.
29 143.17a of the Illinois Insurance Code in Section 5 of this
30 Act take effect upon becoming law."